



**ASX ANNOUNCEMENT
18 JANUARY 2010**

**WHITE CANYON EXECUTES TOLL MILLING AGREEMENT WITH
DENISON MINES CORP**

- White Canyon confirms that based on the conditions in the toll milling agreement the Daneros mine is viable even at current spot prices
- 3 year term with an optional two year extension, commencing January 2010
- Ore processing of up to 55,000t per year.

US-focussed uranium producer White Canyon Uranium Limited (**ASX: WCU**) (“White Canyon” or “the Company”) is pleased to announce that it has completed the negotiations over a treatment agreement with Denison Mines Corp (TSX:DML, NYSE AMEX:DNN) (“Denison”), whereby Denison will process all material produced from White Canyon’s owned and operated Daneros project in Utah.

White Canyon confirms that based on the conditions in the toll milling agreement the Daneros mine is viable even at current spot prices.

The agreement has a three year term with an optional two year extension and commences in January 2010. The earlier than expected execution of the Toll Treating Agreement concludes the Company’s participation in the Ore Purchase Programme with only the first ore lot sold to Denison. Denison used samples from the first ore lot to conduct amenability tests and derive the processing variables necessary for the completion of a Toll Milling Agreement.

Under the terms of the agreement, White Canyon will transport material produced to Denison’s White Mesa Mill for processing of up to 55,000 tons per annum. The Company will pay to Denison the costs to mill its ore, a capital charge plus a toll milling fee per ton of ore, which will be partly linked to the long-term uranium price.

Processing will be scheduled by Denison and first processing of Daneros ore is expected in H1 2011 allowing White Canyon to meet expected delivery dates in H2 2011.

Initial production is expected to be sourced from the Daneros mine, which is located approximately 100kms from the White Mesa complex and has been the source of material provided to date for analysis to derive critical processing parameters in determining this toll milling agreement. Additional production is expected to be sourced from the Company’s Lark Royal, Geitus, Blue Jay, Marcy Look and Yellow Cat projects, which are also in close proximity to the White Mesa Mill.

The total tonnage will be negotiated at the completion of each 12 month production period for the subsequent full production year dependant on mill availability.

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Peter Batten, Managing Director of White Canyon, said "This toll milling agreement with Denison is testament to the fantastic work that our team has done over the past two years in transforming the Company from an explorer at listing into a uranium producer. I wish to congratulate the team on this significant accomplishment and am confident that they will continue to deliver on our development and operational targets going forward".

"The Toll Milling Agreement is paramount in the determination of the viability of the Company's assets. Discussions with utilities can now be moved to the next level in regard to offtake volumes, delivery timing and prices. With discussions held to date the Company expects to be selling into the midterm market range."

"This agreement provides the foundation for the acceleration of development of White Canyon's assets to fill the production levels required and allows the Company to manage the marketing of its uranium production"

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About White Canyon Uranium:

White Canyon is a US focussed uranium producer holding 100% interest in the advanced Thompson, Daneros, Lark Royal, Geitus, Blue Jay and Marcy Look Projects in south-east Utah, comprising of over 12,000 acres of mining claims and mineral leases. The projects contain historically defined high grade uranium deposits, however the deposits are not JORC compliant.

Website: www.whitecanyonuranium.com.au

About Denison Mines Corp:

Denison is a diversified, growth-oriented, intermediate uranium producer with three active mines in the United States, and others in the US. The assets of Denison also include an interest in two of the four licensed and operating conventional uranium mills in North America, with its 100% ownership of the White Mesa mill in Utah and 22.5% ownership of the McClean Lake mill in Saskatchewan. Both mills are fully permitted and operating, with Denison's 2008 production from the two mills approximately 1.6 million pounds U₃O₈ and 1.2 million pounds vanadium.

Website: www.denisonmines.com



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